

LAKE BLACKWELL TRUST AUTHORITY
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

LAKE BLACKWELL TRUST AUTHORITY
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YEAR ENDED JUNE 30, 2022

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Independent Auditor's Report

To the Board of Trustees
Lake Blackwell Trust Authority

Opinion

We have audited the accompanying financial statements of Lake Blackwell Trust Authority, which comprise the statement of assets, liabilities and net position as of June 30, 2022 and the related statements of revenues and expenses and changes in net position and of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the net position of Lake Blackwell Trust Authority, as of June 30, 2022 and the changes in net position and its cash flows for the year then ended in accordance with the modified cash basis of accounting.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lake Blackwell Trust Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake Blackwell Trust Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lake Blackwell Trust Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake Blackwell Trust Authority's ability to continue as a going concern for a reasonable period of time.

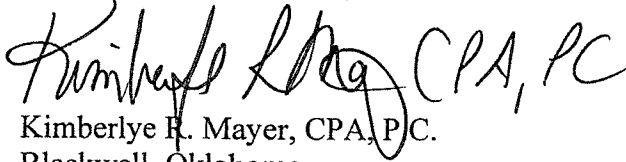
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2022 on our consideration of Lake Blackwell Trust Authority's internal control over financial reporting and on our tests of its compliance with certain laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Lake Blackwell Trust Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lake Blackwell Trust Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Kimberley R. Mayer", followed by the printed text "CPA, PC".

Kimberly R. Mayer, CPA, P.C.

Blackwell, Oklahoma

December 18, 2022

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
Lake Blackwell Trust Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lake Blackwell Trust Authority as of and for the year ended June 30, 2022 and the notes to the financial statements and have issued our report thereon dated December 18, 2022. The financial statements were prepared on the modified cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake Blackwell Trust Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lake Blackwell Trust Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lake Blackwell Trust Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of control deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

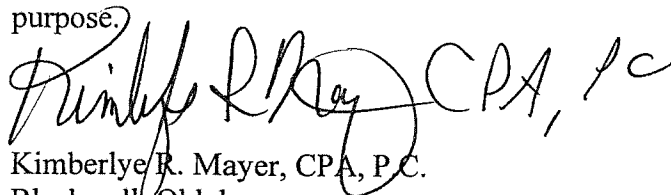
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake Blackwell Trust Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.)

A handwritten signature in black ink, appearing to read "Kimberley R. Mayer CPA, P.C.", written over the printed name.

Kimberley R. Mayer, CPA, P.C.
Blackwell, Oklahoma
December 18, 2022

FINANCIAL STATEMENTS
AND
NOTES

LAKE BLACKWELL TRUST AUTHORITY
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2022

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 53,804
Total Current Assets	<u>53,804</u>
Property and equipment	
(net of accumulated depreciation) (Note 2)	<u>15,506</u>
Total Assets	<u><u>\$ 69,310</u></u>

LIABILITIES AND NET POSITION

Liabilities:	
Current Liabilities:	
Payroll taxes due	\$
Total Current Liabilities	<u> </u>
Net Position:	
Net investment in capital assets	15,506
Restricted for debt service	
Unrestricted	<u>53,804</u>
Total Net Position	<u>69,310</u>
Total Liabilities and Net Position	<u><u>\$ 69,310</u></u>

The accompanying report and notes are an integral part of these financial statements.

LAKE BLACKWELL TRUST AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2022

Operating Revenues:	
Lease fees	\$ 26,025
Crop income	405
Other income	152
Total Operating Revenues	<u>26,582</u>
Operating Expenses:	
Utilities and trash	3,618
Repairs, maintenance and fuel	2,481
Office, postage and supplies	2,935
Road maintenance	749
Insurance and bonds	170
Activities expense	2,000
Depreciation	6,800
Total Operating Expenses	<u>18,753</u>
Operating Income (Loss)	7,829
Nonoperating Revenues (Expenses):	
Interest income	
Total Nonoperating Revenue (Expenses)	<u> </u>
Change in Net Position	7,829
Net Position, beginning of year	<u>61,481</u>
Net Position, end of year	<u><u>\$ 69,310</u></u>

The accompanying report and notes are an integral part of these financial statements.

LAKE BLACKWELL TRUST AUTHORITY
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2022

Cash flows From Operating Activities:	
Cash received from customers	\$ 26,548
Other operating cash receipts	
Cash payments to suppliers for goods and services	(11,953)
Cash payments to employees for services	
Net cash provided (used) by operating activities	<u>14,595</u>
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Purchase of capital assets	
Donations and grants received	
Net cash provided (used) by financing activities	<u> </u>
Cash flows from investing activities:	
Decrease in certificate of deposits	
Interest on cash and investments	
Net cash provided (used) by investing activities	<u> </u>
Net increase (decrease) in cash and cash equivalents	14,595
Beginning cash and cash equivalents	39,209
Ending cash and cash equivalents	<u><u>\$ 53,804</u></u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	7,829
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	6,800
Changes in assets and liabilities:	
(Increase) decrease in prepaid expenses	
Increase (decrease) in prepaid fees	
Increase (decrease) in payroll taxes due	(34)
Net cash provided (used) by operating activities	<u><u>\$ 14,595</u></u>

The accompanying report and notes are an integral part of these financial statements.

LAKE BLACKWELL TRUST AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Lake Blackwell Trust Authority, created on June 3, 1986, was originated under provisions of Title 60 of the Oklahoma Statutes, 1971, as amended, the Oklahoma Trust Act, and the laws of the State of Oklahoma. The purpose of this trust is to govern, formulate rules, provide for the operation, management, improvement, and development of Lake Blackwell.

The Authority is a governed entity administered by a board of trustees that acts as the authoritative and legislative body of the entity.

The Authority does prepare an annual budget.

Basis of Accounting

The operations of the Authority are accounted for as an Enterprise Fund. An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed through user charges.

The Authority maintains its records on the modified cash basis of accounting. Under the modified cash basis, revenues are recognized when received, rather than when earned, and expenditures are recognized when paid rather than when incurred. Fixed assets are recorded at cost when purchased. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets.

Income Taxes

As provided in Title 60, Oklahoma Statutes, the Lake Blackwell Trust Authority is a tax-exempt Public Trust. Consequently, no provision has been made for income taxes.

Cash and Deposits

Cash is maintained in financial institutions which provide coverage to depositors through the Federal Deposit Insurance Corporation.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net investments in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by Authority legislation or external restrictions by creditors, grantors, laws, or regulations of other governments.

LAKE BLACKWELL TRUST AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 2 – PROPERTY AND EQUIPMENT:

Depreciable assets are recorded at cost when purchased or constructed. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets. Total depreciation for the year ended June 30, 2022, was \$6,800. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/22</u>
Property and equipment	\$ 136,443	\$	\$	\$ 136,443
Accumulative depreciation	<u>(114,137)</u>	<u>(6,800)</u>		<u>(120,937)</u>
Net	<u>\$ 22,306</u>	<u>\$ (6,800)</u>	<u>\$</u>	<u>\$ 15,506</u>

NOTE 3 – CASH AND CASH EQUIVALENTS:

The Authority considers all checking, savings and certificates of deposit with a maturity of three months or less to be cash equivalents.

NOTE 4 – INVESTMENTS:

The State of Oklahoma allows governmental entities to invest in the following: direct obligations of the United States Government, its agencies or instrumentalities; collateralized or insured certificates of deposit; insured savings accounts or savings certificates; or county, municipal or school district direct debt.

NOTE 5 – ESTIMATES:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

LAKE BLACKWELL TRUST AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS:

The definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spread and credit risk).

Level 3: Significant unobservable inputs (including the Authority's own assumptions in determining the fair value of investments).

The Authority's financial instruments include cash and cash equivalents and certificate of deposits. The Authority's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

NOTE 7 – RISK MANAGEMENT:

The Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority manages this risk through the purchase of bond and worker's compensation insurance policies. Claims are recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

NOTE 8 – CONTINGENCIES:

As of June 30, 2022, the Authority did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 9 – EVALUATION OF SUBSEQUENT EVENTS:

The Authority has evaluated subsequent events through December 18, 2022, the date which the financial statements were available to be issued.